

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE ATTORNEY GENERAL
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Attorney General Racine Settles Case against House Flippers for Serial Shoddy and Unlawful Work

Virginia Couple Agrees to Pay More Than \$1.6 Million in Restitution, Costs

WASHINGTON, D. C. – Attorney General Karl A. Racine announced today that the Office of the Attorney General (OAG) Office of Consumer Protection has settled [a lawsuit it brought against Jefferson and Insun Hofgard](#), a Virginia-based couple accused of engaging in an illegal house-flipping scheme. Under the settlement, the Hofgards are required to pay full restitution to affected consumers, which will amount to at least \$1.3 million. The District will be conducting a claims procedure to determine the amount of restitution each consumer will receive. The settlement also requires the Hofgards to pay the District \$300,000 in costs, half of which the District agreed to waive provided the Hofgards comply with the requirements of their settlement.

“Today’s settlement makes amends to homeowners who were victims of shoddy and dangerous renovations and ensures that these house flippers cannot harm another District resident,” said Attorney General Racine. **“This settlement also sends a strong message that the Office of Attorney General will hold accountable anyone who violates the District’s consumer protection laws and takes advantage of our residents.”**

Since August, 25, 2015, the Hofgards have been subject to a preliminary injunction that required them to stop constructing, offering, or selling any residential real estate in the District of Columbia without prior authorization from the District government. Today’s settlement makes that injunction permanent so that:

- The Hofgards may only perform any construction activities in connection with residential real estate with the Attorney General’s prior approval;
- Even then, they may only do so to wind up their business; and
- They must ensure compliance, in any such construction, with D.C. construction codes and zoning requirements.

The Attorney General offered his thanks to the District's Department of Consumer and Regulatory Affairs (DCRA), whose personnel assisted OAG in investigating and prosecuting the case, as well as the OAG attorneys in the Office of Consumer Protection who have led OAG's work in the case.

"I'd like to thank the Office of Consumer Protection's Director, Philip Ziperman; its Deputy Director, Jimmy Rock; and Assistant Attorney General Richard Rodriguez for their diligent efforts to resolve this case. Also, many thanks to OAG Public Interest Division Assistant Deputy Attorney General Bennett Rushkoff, through whose hard work we were able to initiate this lawsuit," Attorney General Racine said. **"And we could not have assembled this case successfully without the diligent work of DCRA and its inspectors."**

The District is currently aware of at least 19 affected properties in the case, but owners of any additional properties identified through the claims process will also be entitled to restitution.

A copy of the settlement agreement is attached.

To better educate and protect consumers, OAG has released [a Frequently Asked Questions \(FAQ\) guide](#) for those considering purchasing a renovated home or hiring contractors to renovate their current home. Consumers who have been victimized by contractors may contact the OAG Office of Consumer Protection at (202) 442-9892, by e-mailing consumer.protection@dc.gov, or by [filing a complaint via our webform](#).

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